

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA)	
)	Magistrate No. 21-1292
v.)	[UNDER SEAL]
)	
RANDY FRASINELLI)	

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Special Agent (SA) Sean Langford, being duly sworn according to law, depose and say as follows:

1. This affidavit is made in support of a request for a criminal complaint and arrest warrant against Randy Frasinelli. For the reasons below, there is probable cause to believe that Randy Frasinelli has committed bank fraud, in violation of 18 U.S.C. § 1344(2).

2. Affiant is a Special Agent of the Federal Bureau of Investigation (FBI), United States Department of Justice (USDOJ), and has been so employed for over sixteen years. Since March 2011, Affiant has been with the Pittsburgh Division assigned to a white-collar and public corruption crime squad. In the course of my training and experience, Affiant has become familiar with the methods and techniques associated with the investigations of white-collar schemes to defraud. My experience as an FBI Special Agent has included the investigation of cases involving public corruption, bank fraud, mail fraud, wire fraud, money laundering, bankruptcy fraud, and other financial crimes, and I have enforced federal laws prohibiting these offenses.

3. The facts in this Affidavit come from my personal investigation, witness interviews, a review of records, including certain records obtained via grand jury subpoena, and through other investigative techniques.

4. Since this Affidavit is being submitted for the purpose of securing a criminal complaint, I am not including each and every fact known to me in this investigation.

5. In 2020 and early 2021, your affiant and other agents with the Federal Bureau of Investigation and Internal Revenue Service were investigating the defendant, Randy Frasinelli, for filing fraudulent applications for Paycheck Protection Program funds. In short, that investigation revealed that, between May and July of 2020, Frasinelli had been approved for four PPP loans and received a total of \$2,545,082 in PPP funds from two federally insured financial institutions, Bank of America and Dollar Bank. Each application was submitted on behalf of a business for which Frasinelli claimed to be the owner (Grant-Williams Associates, Grant-Williams Global, Grant-Williams Associates Corp., and Grant-Williams International, respectively).

6. On each application, Frasinelli had certified that: ***“the funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments,*** as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.”

7. In fact, based on a review of Frasinelli’s bank records, the PPP loans were used for personal expenditures and various luxury items. From your Affiant’s review of those records, none of the PPP funds appear to have been used for business expenses or to maintain payroll. Records received from the Pennsylvania Department of the Treasury indicate that none of the applicant businesses paid payroll tax in 2019.

8. On or about February 3, 2021, the Honorable Patricia L. Dodge signed a search warrant for Frasinelli’s residence at 126 Lindsay Road, Carnegie, PA 15106, as well as eighteen seizure warrants for property traceable to proceeds of Frasinelli’s fraud, including a Ford Mustang, two Mercedes SUVs, a BMW sedan, a Land Rover Defender, a Porsche Panamera, gold bars and silver coins, watches and accessories, works of art, firearms, and the contents of two investment

accounts and four bank accounts. These warrants are filed at Magistrate Numbers 21-204 to 21-222. The warrants were executed the following day, February 4, 2021.

9. On April 13, 2021, Affiant received information from an agent with the Small Business Administration's Office of Inspector General. This new information indicated that, on or about March 13, 2021, Randy Frasinelli received a fifth PPP loan in the amount of \$1,340,000. Records later received from Bank of America indicate that the application had been submitted by Frasinelli on or about March 2, 2021, in the name of Grant-Williams International, and requested a loan in the amount of \$1,340,000. In support of the application, Frasinelli represented that Grant-Williams International had 53 employees and an average monthly payroll for 2019 of \$536,000. As noted above, records obtained from the Pennsylvania Department of Revenue indicate that Grant-Williams International paid no payroll tax in 2019.

10. On April 14, 2021, Frasinelli was charged by criminal complaint with Bank Fraud, in violation of 18 U.S.C. § 1344, and money laundering, in violation of 18 U.S.C. § 1957(a). He was arrested and, following an initial appearance, placed on bond. One condition of his bond was that he not commit any federal, state, or local crimes. *See* 21-mj-00813-CRE (Doc. 13) ¶ 1. The Affidavit in support of the criminal complaint, filed at Magistrate Number 21-813, is attached as Exhibit A. The allegations it contains are incorporated here as if fully set forth herein.

11. On June 11, 2021, Affiant discovered, via open source Small Business Administration (SBA) PPP Loan database searches, that Frasinelli had applied and was approved for another PPP Loan in the amount of \$525,000. Affiant confirmed the open source SBA PPP loan database information with an Agent for the Small Business Administration's Office of Inspector General (SBA OIG). The SBA OIG Agent confirmed that Randy Frasinelli was tentatively approved for a sixth PPP loan in the amount of \$525,000.

12. Your Affiant's investigation into the new PPP Loan revealed Frasinelli had submitted a PPP Loan application electronically to Lendio, Inc in the name of Grant-Williams Global (GWG), with loan number #85595390-00, for \$525,000 on or about May 21, 2021.

13. In the PPP Loan application for Grant-Williams Global (GWG), Frasinelli claimed GWG had twenty-eight (28) employees with an average monthly payroll of \$210,000. He also represented that GWG was assigned an EIN of 85-1260040. To support this claim, Frasinelli provided a 2020 IRS Form Schedule C – Profit or Loss From Business, an ADP 2020 CARES SBA - PPP: Monthly Payroll Cost report for Grant-Williams Global, and a purported JPMorgan Chase Bank account statement for account ending in X9852 styled in the name of Randy A Frasinelli and Grant-Williams Global.

14. The 2020 IRS Form Schedule C – Profit or Loss From Business detailed GWG's EIN is 85-126004 and the Cost of Labor (payroll) for 2020 was \$2,520,000. Your Affiant noted the annual wages of \$2,520,000 divided by 12 months is \$210,000 a month.

15. The ADP PPP: Monthly Payroll Cost report has the company name "Grant-Williams Global" towards the top of the report. There are four columns on the report detailing "SBA Gross Pay, Employer Taxes State and Local, Employer Taxes SS/Med, and total Payroll Cost". The total SBA Payroll column detailing purported payroll for the tax year 2020 is \$2,520,000. The report contains purported monthly payroll from January 2020 to December 2020.

16. To come up with the PPP Loan amount requested, the average monthly payroll is multiplied by a factor of 2.5. To calculate the PPP Loan amount for GWG, Frasinelli multiplied the \$210,000 by the factor of 2.5 to come up with the loan amount of \$525,000.

17. During the investigation your Affiant received records from ADP relating to Grant-Williams Global (GWG). ADP certified the following information:

- a. ADP was unable to locate a record of an ADP payroll client by the name of Grant-Williams Global.
- b. ADP was unable to locate a record of a payroll client with the EIN of 85-1260040.

18. The JPMorgan Chase Bank account statement, for account number ending in X9852, that Frasinelli provided to Lendio, Inc. included a handwritten description at the top of the page captioned “2020 (YEAR-END BANK SUMMARY)”. The one page document purportedly detailed bank account activity between January 1, 2020 through December 31, 2020. The one page document indicated the account beginning balance on January 1, 2020 was \$11,234.57 and the ending balance on December 31, 2020 was \$152,460.63. The document detailed five (5) Wire Transfer deposits during the year totaling \$2,965,000 and twenty-two (22) Electronic Withdrawals during the year totaling \$2,823,600. In addition, the five (5) Wire Transfer deposits were purportedly received from Raytheon, Rockwell International, and Martin Maretti, whose business industries include aerospace, military defense, and a leading supplier of building materials.

19. During the investigation your Affiant received records from JPMorgan Chase Bank for bank account ending in X9852 for the time period February 26, 2021 through March 31, 2021. The account was opened on or about February 26, 2021 and was styled in the name of Randy A Frasinelli. The ending balance of the account on March 31, 2021 was \$11,826.06, which was comprised of proceeds of Frasinelli’s fifth fraudulent PPP Loan for which he was charged by criminal complaint on April 14, 2021.

20. Your Affiant determined that Frasinelli submitted a fraudulent supporting bank statement by comparing the purported GWG JPMorgan Chase Bank “2020 (YEARY-END BANK

SUMMARY)” for account ending in X9852 to the actual JPMorgan Chase Bank account statement for Frasinelli’s account ending in X9852.

21. Sometime after Frasinelli submitted the GWG PPP Loan application and supporting documentation to Lendio, Inc., Lendio, Inc. referred the loan application to Texas National Bank for further underwriting and funding of the loan. Texas National Bank is an FDIC insured bank with a Corporate Office located in Edinburg, Texas.

22. On or about June 7, 2021, a Lendio, Inc representative sent Frasinelli an email to randy@grantwilliamsglobal.com to advise Frasinelli that “The lender is asking for a Selfie, Please hold your driver license next to your face so we can see them both clearly. Get this done quickly so I can get back to the lender.”

23. Records from Lendio, Inc include a digital screenshot of Frasinelli holding up his Pennsylvania issued Driver’s License up to his face.

24. Your Affiant was able to determine that the lender, Texas National Bank, has yet to fund Frasinelli’s sixth fraudulent PPP Loan. However, Frasinelli is actively pursuing the loan proceeds evidenced by an email Frasinelli sent a Lendio, Inc representative on or about June 11, 2021. Frasinelli wrote in the email: “Have you received any feedback from the lender(s) on our PPP loan application? Thank you for your kind assistance”.

CONCLUSION

25. For all the foregoing reasons, there is probable cause to believe that bank fraud, in violation of 18 U.S.C. § 1344(2), has been committed by Randy Frasinelli, in the Western District of Pennsylvania. Accordingly, your Affiant requests that a criminal complaint and arrest warrant be issued.

The above information is true and correct to the best of my knowledge, information and belief.

/s/ Sean Langford
SEAN LANGFORD
Special Agent, FBI

Sworn and subscribed before me, by telephone
pursuant to Fed. R. Crim. P. 4.1(b)(2)(A),
this 17th day of June, 2021.

HONORABLE MAUREEN P. KELLY
UNITED STATES MAGISTRATE JUDGE